

VZCZCXRO0812
RR RUEHAG RUEHDBU RUEHDF RUEHIK RUEHLN RUEHLZ RUEHROV RUEHVK RUEHYG
DE RUEHAH #0836/01 2271047
ZNR UUUUU ZZH
R 151047Z AUG 07
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 9182
INFO RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHLM/AMEMBASSY COLOMBO 0519
RUEHKA/AMEMBASSY DHAKA 0541
RUEHIL/AMEMBASSY ISLAMABAD 2229
RUEHBUL/AMEMBASSY KABUL 0973
RUEHKT/AMEMBASSY KATHMANDU 0265
RUEHNE/AMEMBASSY NEW DELHI 1025
RUEHCG/AMCONSUL CHENNAI 0178
RUEHKP/AMCONSUL KARACHI 0227
RUEHCI/AMCONSUL KOLKATA 0149
RUEHLH/AMCONSUL LAHORE 0163
RUEHBI/AMCONSUL MUMBAI 0188
RUEHPW/AMCONSUL PESHAWAR 0501
RHMFIUU/CDR USCENTCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2//
RHEHNSC/NSC WASHDC
RUEKJCS/JOINT STAFF WASHINGTON DC//J5/RUE//
RUEKJCS/SECDEF WASHINGTON DC

UNCLAS SECTION 01 OF 04 ASHGABAT 000836

SIPDIS

SIPDIS

SENSITIVE

STATE FOR SCA/CEN, SCA/A, EUR/ACE, EEB

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [EAID](#) [ENRG](#) [AF](#) [TX](#)

SUBJECT: TURKMENISTAN: FARMERS SPEAK OUT IN MARY PROVINCE

ASHGABAT 00000836 001.2 OF 004

11. (U) Sensitive but unclassified. Not for public internet.

SUMMARY

12. (U) During his July 27 meeting with the economic growth delegation led by USAID Deputy Assistant Administrator Drew Luten, a cautious Mary Hakim Muhammet Gurbannazarov credited the contributions of Turkmenistan's first and current presidents for the "nice lives" enjoyed by population. While outlining the Government of Turkmenistan's significant plans for infrastructure projects in the province, he highlighted President Berdimuhamedov's "huge efforts" to improve the lives of the local population via support for agricultural development. In offering guarded support for USAID projects that correspond to official government programs, Gurbannazarov stressed the importance of following local laws and regulations and denied knowledge of recent obstruction of USAID training activities in Murgap district by local government officials. Site visits to two agricultural projects supported by USAID's Water Users' Association program displayed the positive impact on local farmers' productivity from small-scale investments in drainage canals and water distribution systems. END SUMMARY.

HAIL TO THE CHIEF

13. (U) Following USAID DAA Drew Luten's introduction of the delegation's goals and its desire to meet with officials in the welayats as well as the capital, Mary Province Governor Muhammet Gurbannazarov welcomed the delegation and said, "if you have been here for a week, then you have seen happy people with nice lives...started by the Great Serdar [Leader] Saparmurat Niyazov and continued by President Gurbanguly Berdimuhamedov." Gurbannazarov proceeded to list some of the upcoming infrastructure projects to be undertaken in Mary welayat: a new building for the Energy Institute,

a maternity clinic/hospital, a school for 600 students, a kindergarten for 150 kids, a \$12 million mosque, 50 Case and/or John Deere tractors, 260 Russian tractors, 34 new Case and/or John Deere grain combines, 20 Komatsu excavators and 10 bulldozers for cleaning irrigation, and \$2 million in pumps, engines, and spare parts for irrigation systems. As a result, the "country is peaceful, people enjoy free gas and water, and land is available if people want it."

14. (U) While outlining the delegation's goals, Luten noted the importance of meeting with the local officials and population in addition to meeting with various ministries because it was at this level where people are closest to their government. Armed with a better understanding of the government's priorities and how plans were made, USAID could better decide how to provide international expertise that supported these priorities. A new program aimed at supporting private agriculture was good example, and USAID would provide information on this program to both the Ministry of Agriculture and to the hakim.

15. (U) Danica Starks of the Department of Commerce's International Trade Administration introduced the Special American Business Internship Training (SABIT) program, which had tripled its funding for Turkmenistani participants this year. Suggesting that the planned program for water systems management would be of particular interest, Starks promised to provide information on the 2008 programs when the calls for applicants were announced.

16. (SBU) Gurbannazarov testily responded to Luten's explanation of USAID's procedures for notifying the Ministry of Foreign Affairs about training programs scheduled for the region and suggestion that communication problems in Murgap district were behind recent difficulties with several training sessions. USAID Country Representative Ashley Moretz expanded on Luten's comments by highlighting the positive cooperation in Mary welayat on USAID's

ASHGABAT 00000836 002.2 OF 004

health programs, including tuberculosis prevention and treatment, and indicated that better communication and support from the hakim could help to resolve the matter. First asking if he should go to the MFA for specific details if they could not be provided, Gurbannazarov then said that couldn't answer anything because "no one consulted with us." Ultimately, he acknowledged the need to improve communication.

17. (U) EUR/ACE's Dean Fischer said that while the government's program to support agriculture was impressive, the United States wanted to achieve the same goal through different means. Noting that the United States represented the largest free-market economy in the world and had examples of new ways of growing produce and improving productivity to share, Fischer suggested that the upcoming program supporting private agriculture could demonstrate to local governments how the free-market approach could lift burdens from the government. Both sides' common goal was to help Turkmenistan's economy to expand, and the government could decide how far to implement these ideas. If Turkmenistan's government was ready, we could expand this program further.

ILKINJILER: "GOOD SOLDIERS" NOT AFRAID TO CRITICIZE CURRENT POLICIES

17. (U) After the meeting with the hakim, the delegation visited the Ilkinjiler Farmers' Association in Bayramali district. Ilkinjiler began in 1997 as an informal association of farmers, and was registered as a limited liability partnership organization in 2000. The mission of the organization is to help new farmers to adapt to the post-Soviet environment by providing economic and legal advice and resolving issues related to accessing credit. In 2005, USAID awarded Ilkinjiler a grant through Counterpart International to increase farmers' legal awareness on the new land and water laws. Later in 2005, Counterpart expanded its institutional grant to establish an Agricultural Resource Center to support the public advocacy and entrepreneurial capacities of farmers. Under this project, Ilkinjiler assisted local farmers in conducting needs' assessment, and provided community development and agricultural business training. As a result of Ilkinjiler's activities, eight

new farmers' groups were established, four of which implemented local community development projects.

¶8. (U) Following an overview presentation of the results of Ilkinjiler's efforts under the USAID Water Users' Association program, which included directly working with nine farmers' groups, organizing 46 training sessions and 20 roundtables and providing over 100 legal consultations per month, one of the Ilkinjiler members present described the impact on his productivity of a \$4,500 project grant to improve irrigation and drainage systems on his 300 hectares (HA). During the previous growing season, his yield for thin staple cotton was approximately 25 centners/HA, but this year, growing higher-cost long staple, he expected productivity to increase to 35 centners/HA. He also said that stricter implementation of the government's system under which participants that accepted subsidized inputs received higher prices for the 70% which they were able to sell through the commodity exchange (NOTE: the other 30% is delivered to the state at a nominal price as payment for the subsidies. END NOTE.) was a "big leap forward" for farmers. He suggested that farmers were invested more effort under this system because they received "closer to a fair price" and that productivity had increased as a result.

¶9. (U) To initial nods of approval by the Ministry of Foreign Affairs notetaker, the farmer then said that he and others did not need financial support so much as they needed legal and technical assistance. According to him, access to new technologies was important for the new opportunities they catalyzed, and mentioned a member who had traveled to the U.S. earlier this year on a USAID

ASHGABAT 00000836 003.2 OF 004

Community Connections trip focused on small business development. "If a soldier doesn't aspire to be a general, he's not a good soldier," and they all wanted to be good farmers. Because Turkmenistan is still a young country, though, excess bureaucracy caused many problems in spite of the "progressive" legal base. Issues of implementation of these laws were hampered by excess bureaucracy, and demands by the central government were sometimes "unrealistic." (COMMENT: By this time, the MFA notetaker had stopped nodding in agreement, and instead listened intently to rare direct government criticism with raised eyebrows. END COMMENT.) "Ineffective" land distribution policies had reduced plots to 2 HA in many cases, whereas the powerful western harvesting equipment was designed for 100 HA plots. Noting that the U.S. had only 5 percent of its population involved in agriculture and provides for the entire country, Turkmenistan had half of its population engaged in agriculture and "still couldn't provide for all." He closed by encouraging the delegation to spread these messages to relevant bodies during the course of its meetings. In response, Luten stressed the importance of striking an appropriate balance between government involvement and private efforts. USAID's role is to provide information at both the policy level and to farmers, and one of the delegations roles was to find this balance in Turkmenistan.

ZAMAN SAMAT: INCREASED PRODUCTIVITY AND INCOME

¶10. (U) The delegation next visited two farmer groups in Bayramali district supported by the Agriculture Support Center administered by "Ilkinjiler" under the Water Users' Association project since September 2005. The first beneficiary, Zaman Samat, used grant funds to assist the farmers in cleaning five kilometers of irrigation and 2.5 kilometers of drainage systems, and in installing two electric pumps and a transformer that improved irrigation in the planting area. As a result, sowing land was expanded by 50 Ha, and increased the farmer's productivity and income. This project has provided benefit for 57 families who work on this plot and overall had improved water supply for approximately 2,200 people.

BURKOZ: CLEANED DRAINAGE CANALS INCREASE YIELDS

¶11. (U) The second farmer group, Burkoz, built 17 new water locks and repaired three old ones with project grant funds. In addition, they cleaned 3.3 kilometers of irrigation canals and 3.2 kilometers of drainage canals. As a result, 65 hectares of land was provided with sufficient water, which increased the farmer's productivity by

70 percent. Additionally, their income increased about seven times due to the combination of increased yields and the higher new cotton purchase price introduced by state. As the local water table further drops, yields are expected to continue to increase due to the improved drainage. As the head of farmer group, Mr. Nuryev, explained to the delegation, the experience of mobilizing the community during implementation of the project helped them to construct two bridges in the village with their own funds. Overall, this project provided direct benefit for 23 family members and improved the water supply for 5,000 estimated farmer-residents living in this area.

COMMENT

¶12. (U) Although the Mary hakim denied knowledge of local interference in USAID-supported training activity in Mary welayat, the meeting presented an important opportunity to share specific information about such obstruction with the highest welayat official. In Turkmenistan's vertical and hierarchical system, the support of the hakim is a critical step to eliminating harassment from those pursuing what they believe to be the party line against international organizations. One local implementing partner with no knowledge of the conversation, separately reported to a USAID staff

ASHGABAT 00000836 004.2 OF 004

member in Ashgabat that the hakim mentioned to him last week that he had ordered the problems in this etrap to cease. USAID has been unable to verify this independently yet, but if true, it represents a step forward in Mary welayat, where civil society organizations have always been under tight control.

¶13. (U) COMMENT CONTINUED: That the farmer was openly critical of government policies in front of a MFA notetaker demonstrates the courage and independence of the Ilkinjiler group's members. In spite of having one of its leaders imprisoned in late 2005 for charges related to a mid-1990s break-up of a collective farm, the group remains one of the most vocal advocates for its members rights in Turkmenistan. USAID's new Community Empowerment Project and AgLinks projects are well positioned to continue supporting their local initiatives through both legal and technical economic assistance. END COMMENT.

¶14. (U) DAA Luten has cleared this cable.

HOAGLAND